Supreme Court, U.S.
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No. 97-1773

In The
Supreme Court of the United States
October Term, 1997

THEIS RESEARCH, INC.,

Petitioner,

v.

OCTEL COMMUNICATIONS CORP.
AND NORTHERN TELECOM, INC.,

Respondents.

On Petition For Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

RESPONDENT OCTEL'S BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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QUESTIONS PRESENTED

1. Whether for certain types of prior art, the Court should carve out an exception to Section 282, Title 35 United States Code and repudiate the long-standing practice of submitting the question of patent validity to the jury, and instead, require the District Court to limit its consideration of validity to a de novo review of the ex parte administrative record adduced before the Patent Office by the applicant to determine whether the Patent Office abused its discretion or committed clear error in issuing the patent.

2. Whether for certain types of prior art, the Court should repudiate the long-standing practice of submitting the question of patent validity to the jury and reviewing the jury verdict on appeal based on the substantial evidence standard, and instead, require the Federal Circuit Court of Appeals to review the issue of validity de novo.

3. Whether the Federal Circuit Court of Appeals erred in affirming the District Court's de novo construction of the claim language.

4. Whether a device that was adjudicated – by the United States Court of Customs and Patent Appeals nearly two decades ago – to have been on-sale and in public use more than one year before the patent application was filed, is prior art under Sections 102 and 103, Title 35 United States Code.

STATEMENT PURSUANT TO RULE 29.6

Lucent Technologies, Inc. is the parent company of Respondent Octel Communications Corp.

Respondent Octel Communications Corp. has no nonwholly owned subsidiaries.

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TABLE OF CONVENTIONS

Octel	Respondent Octel Communications Corp.
NTI	Respondent Northern Telecom, Inc.
TRI	Petitioner Theis Research, Inc.
Theis	Peter F. Theis, Defendant-Appellant before the Court of Appeals for the Federal Circuit below
Petition	TRI's Petition for a Writ of Certiorari filed in this Court; reference to "Petition, App. A" or "Petition at A-___" refers to the November 6, 1997 opinion of the Federal Circuit below, or specified part thereof, as reproduced in Appendix A of the Petition.
'436 patent	TRI's U.S. Patent No. 4,539,436
'817 patent	TRI's U.S. Patent No. 4,692,817
'635 patent	TRI's U.S. Patent No. 4,439,635
'647 patent	TRI's U.S. Patent No. 4,719,647
Con Mode I	The Con Mode I system held, in *In re Theis*, 610 F.2d 786 (C.C.P.A. 1979), to be in public use and on sale pursuant to 35 U.S.C. § 102(b).
Shepard	U.S. Patent No. 3,300,586
A___	Indicated page of the Joint Appendix of Record before the Court of Appeals for the Federal Circuit below

INTRODUCTION

This is a patent case in which the decision below involves no split among the Circuits, no conflict with relevant decisions of this Court, and no unresolved questions of federal law. Moreover, the questions presented are all raised for the first time by the Petition: *none* was presented to, or addressed below by, the District Court or the Court of Appeals.

Petitioner (TRI) lost a lengthy trial that was heavily dependent on the voluminous factual testimony presented to the jury – a jury which TRI requested. At bottom, TRI's petition is nothing more than a freshly-minted variant of TRI's oft-repeated (and equally oft-rejected) disagreement with the jury's verdict. Such a fact-specific quarrel with the jury's verdict and with the carefully reasoned decisions of the District Court and the Court of Appeals does not present any occasion for this Court's review. Certiorari should be denied.

COUNTERSTATEMENT OF THE CASE

Respondent Octel, located in Milpitas, California, is a leading manufacturer of voice processing systems that provide telephone answering and voice mail capabilities (A14759, A14763, A14766). Respondent NTI is a leading manufacturer of all kinds of telephony equipment, including voice processing systems similar to those made and sold by Octel.

TRI neither makes nor sells any products. According to its President, Peter F. Theis, TRI's business "is not to

employ people. It's to protect properties, properties being Theis patents" (A32014). TRI holds an exclusive license to the two patents at issue on this Petition: the '436 and '817 patents (A14377).

I. The Course Of The Proceedings Below

TRI precipitated this case by sending numerous threatening letters to Octel and its customers broadly alleging that the use of voice processing equipment made and sold by Octel required a license under an unspecified number of Theis patents in the telecommunications field (A32006-09, A32020-24). As a result of the threats and accusations contained in these letters, Octel filed suit in the Northern District of California against TRI seeking a declaratory judgment that three TRI patents were invalid and not infringed by Octel's equipment (A189-95).

TRI responded by expanding the action to include a seven count counterclaim against Octel and one of its subsidiaries and to assert four more patents (A226-42). Several of the patents in TRI's counterclaim were asserted without any factual basis. That is why less than five months later, TRI dismissed with prejudice three of the seven counterclaim counts (A370-71). The case against Octel proceeded on four patents: the '436 and '817 at issue on this Petition, and the '635 and '647 patents.[1]

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[1] NTI then filed its own declaratory judgment action regarding the same four patents asserted against Octel (A383-89). TRI filed a counterclaim against NTI which added two additional patents (A1473-87). NTI's action was then consolidated with the Octel action (A1729-31).

On October 5, 1994, after a six week trial, the jury found, *inter alia*, that (i) both of the asserted claims of the '436 patent were invalid for obviousness in light of the prior art (35 U.S.C. § 103), and (ii) the only asserted claim of the '817 patent was invalid because it was both anticipated, and rendered obvious, by the prior art (35 U.S.C. §§ 102(b), 103) (A51-60). The jury's findings were upheld by the District Court on post-trial motions, Petition, Apps. C-E, and by the Court of Appeals in its lengthy and detailed opinion, *id.*, App. A.[2]

II. The Evidence Upon Which The Jury Based Its Verdict That The '436 Patent Is Invalid

A. The '436 Patent

The '436 patent is directed to an apparatus for carrying on a programmed conversation over a telephone line with a caller. The patent describes a programmed conversation as follows. The apparatus answers the telephone and plays out a first message such as "[m]ay we help you." The caller then responds "with an answer such as 'I would like to place an order' " which is recorded by the apparatus. The apparatus then plays the next message asking, for example, the caller to state his or her name. After the apparatus records the caller's response, it plays another message, such as "[w]hat is your charge account

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[2] Octel also prevailed on the other two patents not at issue on this Petition. The District Court granted Octel's motion for summary judgment of non-infringement of the '635 patent (A30-34), and the jury found that Octel did not infringe the '647 patent (A98). The Court of Appeals affirmed both of these decisions. Petition at A-19 to A-21.

number." This sequence of "message-response-message-response" continues until the programmed conversation is completed (A15045).

To conduct this programmed telephone conversation, the apparatus must be able to answer the telephone call and to hang up when the call is completed (A15044). In addition, the apparatus must be able to determine when the caller is speaking so that the response can be recorded, and to determine when the caller has completed his or her response so the next message can be played (*Id.*). These functions are performed, respectively, by two elements in the asserted claims: the "interface means" (A15046-47), and the "speech detector" (*Id.*).

B. The Prior Art To The '436 Patent

Octel and NTI relied upon two items of prior art with respect to the '436 patent. These items were the Con Mode I machine and the Shepard patent.

Con Mode I: During prosecution of the great- grandparent application for the '436 patent (the "'930 application" filed on August 15, 1975), the Examiner rejected the claims under 35 U.S.C. § 102(b) because the subject matter they described had been placed on sale, and had been in public use, by Mr. Theis more than one year before he filed his original application on February 4, 1974 (A16734-38). The Examiner's decision was upheld by the Patent Office Board of Appeals (A16857-63), and the rejection was affirmed nearly twenty years ago by the Federal Circuit's predecessor in *In re Theis*, 610 F.2d 786 (C.C.P.A. 1979).

At trial, the product which Mr. Theis publicly used and placed on sale prior to February 4, 1973 was referred to as Con Mode I (A14360).[3] Con Mode I includes, but is not limited to, the subject matter of the claims of the '930 application. Petition at A-14. There was ample evidence of additional structures and features which Con Mode I included. This evidence comes from the trial testimony of Mr. Theis (*e.g.*, A14360-62, A14364), affidavits he submitted during prosecution of the '930 application (*e.g.*, A16753-63), and contemporaneous documents (*e.g.*, A16764-80). *See also* Petition at A-14.

Shepard: The Shepard patent (A17331-45), entitled "Conversation Machine," issued in 1967, seven years before Mr. Theis filed his original application for the '436 patent.

C. The Invalidity Of The Claims In Light Of Con Mode I And Shepard

The principal dispute about the validity of the '436 patent claims turned on whether the prior art included,

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[3] TRI contends that, notwithstanding the C.C.P.A.'s determination that Con Mode I was in public use and on sale, it nevertheless is not prior art. Petition at 11 n.13. TRI never made this argument below. This is no surprise. TRI's argument flatly contradicts established law. *See Baker Oil Tools Inc. v. Geo Vann Inc.*, 828 F.2d 1558, 1563 (Fed. Cir. 1987) ("If a device was in public use or on sale [under section 102(b)] before the critical date, then that device becomes a reference under section 103 against the claimed invention."). Moreover, TRI did not object to having the jury instructed that the prior art includes the Con Mode I (A14982).

or rendered obvious, use of the claimed "speech detector" and "interface means." *See* Petition at A-4 to A-6.

Speech Detector:[4] The evidence demonstrated that Con Mode I included a "speech detector." *First*, Mr. Theis swore in his February 3, 1978 Affidavit submitted during prosecution of the '930 application that Con Mode I contained "[a] voice recognition circuit to identify when a caller is talking" (A16756). A speech detector, by definition, "identifies when a caller is talking." *Second*, TRI's expert, Mr. Prentice, admitted that the Con Mode I "voice recognition circuit" was intended to detect speech (A14514-15). *Third*, TRI's other expert, Dr. Gibson, repeatedly admitted on cross-examination that when Mr. Theis decided to use a speech detector in 1973, this was *"a natural thing to do based upon what people had been doing long before 1973"* (A14932). *See also* Petition at A-5.

The evidence also demonstrated that Shepard discloses a "speech detector." Octel and NTI's expert explained the reasons why Shepard is a "speech detector" (A14862-63, A32126, A32130). And, TRI's expert, Dr. Gibson, likewise conceded that (i) Shepard detects multisyllabic speech responses (A14935), and (ii) Shepard detects the words "yes" and "no" (*Id.*), both of which are forms of speech (*Id.*). Shepard thus detects speech. *See also* Petition at A-5.

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[4] There was no debate about what a "speech detector" means because Mr. Theis explicitly defined the term during prosecution of the application that issued as the '436 patent (A15118, A15122).

Interface Means: There was no debate among the parties about what the "interface means" refers to. As TRI pointed out to both courts below, an "interface means" is a device "which can detect an incoming call, seize the line, transmit the signals on the line to the system, determine when the caller has hung up and hang up" (Appellate Br. for Defs.-Appellants TRI and Theis at 29). The evidence established that Con Mode I performed those very same functions. That evidence consisted of Mr. Theis's sworn affidavit to the Patent Office submitted during prosecution of the '930 application (A16755). The evidence likewise established that Shepard included the claimed "interface means" (A14862-63, A32126, A32130). *See also* Petition at A-6.

Even if Con Mode I and Shepard did not have precisely the same "speech detector" and "interface means" as called for by the claim elements, the evidence demonstrated that use of those elements would have been obvious in light of Con Mode I and Shepard. In particular, the only alleged differences between the asserted claims of the '436 patent and Con Mode I was the supposed absence from Con Mode I of a speech detector and an interface means (A14383). But Mr. Theis designed the Con Mode I to include those very elements. As Mr. Theis admitted in his 1978 Affidavit, Con Mode I had a "voice recognition circuit to identify when a caller is talking" (A16756), and also had a "line control card" to perform all of the functions which TRI concedes are performed by the claimed "interface means" (A16755). Thus, the need for these elements was known in the prior art (A14514-15 (speech detector), A14388-89 (interface means)). The only problem with the Con Mode I was that the particular

"voice recognition circuit" and "line control card" Mr. Theis initially selected did not perform their intended functions as well as he would have liked. And, as Mr. Theis testified, all he did to correct these alleged imperfections was "to look to see what was available in the marketplace" (A14361). And, what Mr. Theis found was a *better* speech detector (*i.e.*, what his expert Dr. Gibson said was *"a natural way to implement a speech detector in 1973"* (A14932)), and a *better* interface means (*i.e.*, an RDM-ZR which Mr. Theis admitted was a "known prior art device" (A15577)). As this Court long-ago noted in *Sinclair & Carroll Co. v. Interchemical Corp.*, 325 U.S. 327, 335 (1945):

> reading a list and selecting a known [element] to meet known requirements is no more ingenious than selecting the last piece to put into the last opening in a jig-saw puzzle. It is not invention.

These facts, as well as the other evidence before the jury, collectively constituted substantial evidence of invalidity. *See also* Petition at A-7.

III. The Evidence Upon Which The Jury Based Its Verdict That The '817 Patent Is Invalid

A. The '817 Patent

The '817 patent issued from an application that was filed as a continuation of that which issued as the '436 patent. Like the '436, the '817 patent also is directed to an apparatus for carrying on a programmed conversation. However, unlike the claims of the '436 patent, claim 1 of the '817 (the only claim asserted) is not restricted to *telephone* applications (A15501). *See also* Petition at A-13.

B. The Prior Art To The '817 Patent

As they did with the '436 patent, Octel and NTI relied on Con Mode I and Shepard as the two items of prior art with respect to the '817 patent. Octel will not repeat here the discussion of those two items set forth, *supra*. However, it is important to recall that in *In re Theis*, the C.C.P.A. held that Con Mode I anticipated (and thus rendered invalid) all of the claims in the '930 application. None of the claims in the '930 application was restricted to telephone applications. *In re Theis*, 610 F.2d at 788. The same is true of claim 1 of the '817 patent. *See* Petition at A-13.

C. The Invalidity Of Claim 1 In Light Of Con Mode I And Shepard

Through the testimony of their expert, Octel and NTI established that the elements of claim 1 of the '817 patent were fully met by Con Mode I. This was done by comparing claim 1 of the '817 patent with claim 17 in the '930 application (which was held to be anticipated by Con Mode I in *In re Theis*) (A14866-67).

More specifically, Figure 2 of the '817 patent and of the '930 application are identical (A32124, A32125). By color-coding the elements of '817 claim 1 and the elements of claim 17 of the '930 application with the corresponding structures depicted in Figure 2, Octel and NTI graphically demonstrated to the jury that both claims covered exactly the same structures. Thus claim 1 of the '817 was anticipated by Con Mode I for precisely the same reason that claim 17 of the '930 application was held

to be anticipated by Con Mode I in *In re Theis*, as the District Court and the Court of Appeals both confirmed. Petition at D-2 & A-13 to A-14.

THE WRIT SHOULD BE DENIED

I. Review Should Be Denied Because None Of The Reasons For Seeking The Writ Was Raised Below Before The Court Of Appeals

Having lost its patent infringement suit on a heavily fact-laden record, TRI now seeks to overturn the findings of invalidity of its patents on a set of wholly new grounds not raised before the Court of Appeals (or the District Court) below. Under such circumstances, seeking review by way of certiorari is manifestly inappropriate. *See Sisson v. Ruby*, 497 U.S. 358, 359-60 n.1 (1990); *Delta Air Lines, Inc. v. August*, 450 U.S. 346, 362 (1981); *Ramsey v. United States Mine Workers of Am.*, 401 U.S. 302, 312 (1971); *Neely v. Martin K. Eby Constr. Co.*, 386 U.S. 317, 330 (1967); *Lawn v. United States*, 355 U.S. 339, 362-63 n.16 (1958). This Court has repeatedly emphasized that "[w]here issues are neither raised before nor considered by the Court of Appeals, this Court will not ordinarily consider them." *Adickes v. S.H. Kress & Co.*, 398 U.S. 144, 147 n.2 (1970). TRI presents no reason for this Court to deviate from its normal practice of declining to consider issues not raised below.

The First Two Questions: The first two questions presented by the Petition address whether determinations of invalidity on certain narrowly prescribed grounds may properly be made by a jury, and what standard of review

should be applied. Petition at ii-iii. TRI did not raise these issues in its appellate brief, even though the Federal Circuit's standards for review of jury verdicts of invalidity are well-established. *See, e.g., United States Surgical Corp. v. Ethicon, Inc.*, 103 F.3d 1554, 1559 (Fed. Cir. 1997). Therefore, the Federal Circuit – which is vested with exclusive appellate jurisdiction over patent matters – was not even given the opportunity to pass on the questions TRI now presents to this Court.

Moreover, the present record is uniquely inappropriate for this Court to determine, in the first instance, whether it is proper to submit the issue of invalidity to the jury under the circumstances presented here. TRI fails to inform this Court of a central fact that explains why it did not raise the first two questions before the Court of Appeals: *it was Petitioner TRI – not Octel – who demanded a jury trial* (A229, A1487). Having obtained an adverse verdict from the jury it demanded, TRI now reverses itself and demands a new trial on the grounds that the jury should not have been permitted to decide this case. TRI did not raise this issue below because it is plain that Federal Circuit precedent does not countenance such a stratagem. *Weinar v. Rollform, Inc.*, 744 F.2d 797, 809 (Fed. Cir. 1984). Neither should this Court.

The Third Question: The third question presented by the Petition addresses the issue of de novo review of claim construction. This, too, was not raised before the Court of Appeals.

It was not TRI's position in the District Court that claim construction was a matter for the court, subject to de novo review. To the contrary, it was Octel and NTI that

requested the District Court to construe the disputed language in the claims, as a matter of law, and to instruct the jury as to the proper construction before deliberations began (A9959-60); but TRI vigorously opposed that effort and successfully urged that the meaning of the disputed claims be submitted for decision by the jury.[5] *See* Petition at A-22. Nevertheless, consistent with *Markman*, 52 F.3d at 981, the District Court went on to construe the disputed claim language when it ruled on TRI's post-trial motions.[6] The Federal Circuit likewise reviewed the construction of the claims as a matter of law. *See* Petition at A- 6, A-8 & A-9. Because the decision below was wholly consistent with *Markman*, there was no need to review the already-settled principle that claim construction is a matter of law subject to de novo review. As with questions one and two, TRI never presented to the Federal Circuit, and the Federal Circuit never passed upon, the third question which TRI asks this Court to review in the first instance.

The Fourth Question: The final question presented by the Petition is whether Con Mode I was properly considered as prior art in connection with determining the validity of the '436 and '817 patents. This issue appears nowhere in the Federal Circuit's opinion below because it was not raised on appeal. *See* Petition, App. A.

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[5] The case was submitted to the jury before the Federal Circuit issued its decision in *Markman v. Westview Instruments, Inc.*, 52 F.3d 967 (Fed. Cir. 1995), *aff'd*, 517 U.S. 370 (1996), holding that claim construction is a matter of law for the Court.

[6] The post-trial motions were decided after the Federal Circuit issued its decision in *Markman*, 52 F.3d 967.

Nor was the issue raised before the District Court. Once again, therefore, the issue should not be considered by this Court in the first instance.

Nevertheless, in an effort to recast its claims as worthy of consideration, TRI seeks to tie this case to *Pfaff v. Wells Elecs., Inc.*, 124 F.3d 1429 (Fed. Cir. 1997), *cert. granted*, 118 S. Ct. 1183 (1998), regarding "[t]he Federal Circuit's current application of the one-year 'on sale' trigger." This effort is entirely misplaced. The Federal Circuit *rendered no opinion in this case as to what conditions trigger the on sale bar with respect to Con Mode I* – nor did it have to, because the issue had been decided nearly twenty years ago in *In re Theis*. TRI was therefore collaterally estopped from raising the issue. Even if TRI was not collaterally estopped, this issue was waived by TRI's failure to bring it to the District Court's attention. *Weinar*, 744 F.2d at 804; *Allen Organ Co. v. Kimball Int'l, Inc.*, 839 F.2d 1556, 1561 (Fed. Cir. 1988). And, TRI again ignored the issue on appeal by failing to raise it in appellate briefs. *Amhil Enter. Ltd. v. Wawa, Inc.*, 81 F.3d 1554, 1563-64 (Fed. Cir. 1996). Accordingly, this Court should deny review. *Adickes v. S.H. Kress & Co.*, 398 U.S. 144, 147 n.2 (1970).

II. The First And Second Questions Do Not Present Any Issue Worthy Of Review

Apart from TRI's failure to raise the first and second questions below, there are several additional reasons why those questions should not be reviewed by this Court:

First, by its first and second questions, TRI seeks to abrogate the plain language of Section 282 of the patent

statute, Title 35 United States Code. Section 282 states that invalidity of a patent on "any ground" set forth in part II of the statute "shall be" a defense to an action for infringement:

> The following shall be defenses in any action involving the validity or infringement of a patent and shall be pleaded: . . .
>
> (2) Invalidity of the patent or any claim in suit on any ground specified in part II of this title as a condition for patentability. . . .

An alleged infringer thus has the statutorily created right to challenge the validity of a patent on any ground specified in the statute.

By seeking an affirmative answer to the first two questions presented, TRI is attempting to deprive an alleged infringer of this right by carving out an exception with respect to invalidity challenges that are based on prior art that was presented to the Patent Examiner during prosecution of the application that issued as the patent in suit. Indeed, by TRI's "logic," under such circumstances, not only should invalidity *not* be tried by a jury, it should *not* be tried at all. Instead, TRI asserts that the alleged infringer's invalidity challenge should be limited to a de novo review by the District Court and the Court of Appeals of the administrative record which the applicant adduced during ex parte prosecution of his patent application, to determine whether on that ex parte record, the Patent Office committed clear error, or abused its discretion, in issuing the patent.

Although TRI's suggestion is bold, it is completely without merit. Where, as here, the statutory language is

plain on its face, the judiciary should not lightly disregard its scope. *United States v. Gonzales*, 117 S. Ct. 1032, 1035 (1997). Section 282 applies to *any ground* of invalidity specified in part II of the patent statute. Part II does not create "special" rules for "special" classes of prior art. And, the patent statute does not dispense with jury trials of invalidity issues.

Second, an affirmative answer to the first two questions presented by TRI would dismantle the centuries-long practice of submitting all questions of patent validity to the jury for determination. As this Court observed in *United States v. Esnault-Pelterie*, 299 U.S. 201, 205 (1936):

> Validity and infringement are ultimate facts on which depends the question of liability. In actions at law they are to be decided by the jury.

Obviousness, in particular, is properly decided by the jury, as this Court has held:

> The question whether an improvement requires mere mechanical skill or the exercise of the faculty of invention, is one of fact; and in an action at law for infringement is to be left to the determination of the jury.

Thomson Spot Welder Co. v. Ford Motor Co., 265 U.S. 445, 446 (1924); *see also United Gas Public Serv. Co v. Texas*, 303 U.S. 123, 140 (1938); *Adams v. Bellaire Stamping Co.*, 141 U.S. 539, 541-42 (1891); *Keyes v. Grant*, 118 U.S. 25, 36-37 (1886); *Tucker v. Spalding*, 80 U.S. (13 Wall.) 453, 456 (1871); *Bischoff v. Wethered*, 76 U.S. (9 Wall.) 812, 814 (1869); *Turrill v. Michigan S. & N. Indiana R.R. Co.*, 68 U.S. (1 Wall.) 491, 512 (1863); *Winans v. New York & Erie R.R.*

Co., 62 U.S. (21 How.) 88, 100 (1858); *Battin v. Taggert*, 58 U.S. (17 How.) 74, 85 (1854).[7] This long-standing recognition of the role of juries in determining validity should not be lightly discarded. *Dimick v. Schiedt*, 293 U.S. 474, 486 (1935) ("Maintenance of the jury as a fact-finding body is of such importance and occupies so firm a place in our history and jurisprudence that any seeming curtailment of the right to a jury trial should be scrutinized with the utmost care.").

Third, contrary to TRi's assertion (Petition at 26), the fact that technical issues are raised in patent cases is no reason to summarily discard jury determinations of the facts underlying validity determinations. This Court does not dispense with juries simply because facts may be difficult to ascertain. *Slocum v. New York Life Ins. Co.*, 228 U.S. 364, 388 (1913); *see also In re Financial Sec. Litig.*, 609 F.2d 411, 431 (9th Cir. 1979) ("This argument unnecessarily and improperly demeans the intelligence of the citizens of this Nation. We do not accept such an assertion. Jurors, if properly instructed and treated with deserved respect, bring collective intelligence, wisdom, and dedication to their tasks, which is rarely equalled in other areas of public service."), *cert. denied sub nom., Gant v. Union Bank*, 446 U.S. 929 (1980). Of course, cases in all areas of the law may involve complex technical issues,

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[7] The use of juries to determine validity issues dates back to at least the late eighteenth century, and is firmly rooted in English common law practice. *Morris v. Bramsom*, 1 Carpmael's Pat. Cas. 30, 34 (K.B. 1776); *Bramah v. Hardcastle*, 1 Carpmael's Pat. Cas. 168, 171-72 (K.B. 1789); *Arkwright v. Nightingale*, Davies Pat. Cas. 37, 60 (C.P. 1785); *Huddert v. Grinshaw*, Davies Pat. Cas. 265, 298 (K.B. 1803).

but the solution has never been to oust juries wholesale. And conversely, many patented inventions are quite basic. *See, e.g., Panduit Corp. v. Dennison Mfg. Co.*, 810 F.2d 1561, 1572 (Fed. Cir. 1987) ("the patent system is not limited to sophisticated technologies"); *Newell Cos. v. Kenney Mfg. Co.*, 864 F.2d 757, 783 (Fed. Cir. 1988) (Newman, J., dissenting) ("That a claimed invention is simple, easy to understand, or a narrow technological advance, does not foreclose patentability."). There is no reason to blithely remove an entire category of cases from the traditional province of the jury, merely because some of them may involve complex technical issues.

Fourth, TRI suggests that this Court's grant of certiorari in *American Airlines, Inc. v. Lockwood*, 515 U.S. 1121, *vacated*, 515 U.S. 1182 (1995), counsels in favor of reviewing the first two questions presented here. More specifically, TRI asserts that the question presented (but never decided) in *American Airlines* was "whether juries should decide the validity of patents," and that this case "presents another opportunity to resolve that recurring and important question." Petition at i. TRI is wrong from premise to conclusion.

The question presented by the petitioner in *American Airlines* was not "whether juries should decide the validity of patents." Rather, certiorari was granted for a much narrower question: "In an action in which the sole claim to be tried is a claim under the Declaratory Judgment Act to have a patent declared invalid, is there a right to a jury trial under the Seventh Amendment of the

United States Constitution?"[8] *American Airlines* was an action for declaratory judgment of invalidity after judgment of non-infringement was entered. *In re Lockwood*, 50 F.3d 966, 968-69 (Fed. Cir. 1995). Thus, the dispute concerned whether a jury was required where there was no assertion of patent infringement. The present case, in contrast, is not one where invalidity was considered in the abstract. TRI charged Octel and NTI with patent infringement (A231-41), and invalidity was asserted as a defense to that charge throughout the entire trial (A372-81). Under these circumstances, it is well established that a jury may properly decide both infringement and validity. *United States v. Esnault-Pelterie*, 299 U.S. 201, 205 (1936).

Fifth, an affirmative answer to the first two questions presented would be contrary to well-established principles of fairness. By the exception TRI seeks to carve out of Section 282 of the patent statute, TRI is attempting to apply offensively the findings that Mr. Theis obtained in secret, ex parte proceedings before the Patent Examiner. *See, e.g.*, 35 U.S.C. § 122. Neither Octel nor NTI were parties to the ex parte proceedings. Neither was given any opportunity to assert its invalidity arguments. Consequently, neither should be bound by the conclusions of the Patent Examiner which were based on that ex parte

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[8] This case does not present that question at all, since TRI pursued its infringement claims through trial. Neither does this case "present[ ] another opportunity to resolve" the issue of jury determinations of validity. Indeed, the present record is particularly inappropriate for addressing the role of juries in validity determinations, because it was TRI, not Octel, who requested that the jury decide this issue.

record. *Cf. Blonder-Tongue Labs, Inc. v. University of Illinois Found.*, 402 U.S. 313, 329 (1971); *Hansberry v. Lee*, 311 U.S. 32, 40 (1940) ("It is a principle of general application in Anglo-American jurisprudence that one is not bound by a judgment in personam in a litigation in which he is not designated as a party. . . . ").

III. The Third Question Does Not Present Any Issue Worthy Of Review

By its third question, TRI appears to be arguing that the Federal Circuit misapprehended its own decision in *Markman v. Westview Instruments, Inc.*, 52 F.3d 967 (Fed. Cir. 1995), by failing to reconstrue certain claim language (unidentified in the Petition). TRI is wrong. TRI does not dispute that consistent with *Markman*, 52 F.3d at 981, the District Court construed the claim language, as a matter of law, when it denied TRI's post-trial motions. *See, e.g.*, Petition at E-4 to E-6 & C-3. TRI does not dispute that it appealed the District Court's construction of the '436 patent claims.[9] And, TRI cannot dispute that the Federal Circuit explicitly considered, and rejected, TRI's challenge of that construction. *See* Petition at A-6 ("interface means"), A-8 to A-9 ("speech detector") & A-9 (multiple voice response). Thus, what TRI appears to be complaining about is that the Federal Circuit did not agree with TRI's proposed interpretation of the '436 claims. Octel submits that such an issue is not worthy of review by this

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[9] TRI did not appeal any issue of claim construction with respect to the '817 patent (Appellate Br. for Defs.-Appellants TRI and Theis at 38-40).

Court. Sup. Ct. R. 10 (writ rarely granted to review purported "misapplication of a properly stated rule of law").

IV. The Fourth Question Does Not Present Any Issue Worthy Of Review

The final question presented by TRI – whether Con Mode I constitutes prior art for purposes of the on-sale bar of 35 U.S.C. § 102(b) – also is not worthy of review. The Federal Circuit's predecessor, the Court of Customs and Patent Appeals, issued a final decision nearly twenty years ago in which it held that Con Mode I was prior art because it was on-sale, and in public use, more than one year before the date on which the original application for the '436 and '817 patents was filed. *In re Theis*, 610 F.2d 786 (C.C.P.A. 1979). TRI's time to seek review of that decision before this Court expired 19 years ago. Sup. Ct. R. 13; 28 U.S.C. § 2101(c). TRI cannot attempt to collaterally do so now.

What remains, then, is the unremarkable but immutable principle that findings from a prior case may collaterally estop a party to that case from attempting to relitigate them at a future date. That is the situation here. The operation of collateral estoppel in patent cases such as this one is well-established and, thus, unworthy of certiorari. *See, e.g., Blonder-Tongue*, 402 U.S. 313.

CONCLUSION

For the foregoing reasons, the petition for a writ of certiorari should be denied.

Respectfully submitted,

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